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TITLE: System and method for supporting delivery of health care

Abstract Text (1):

Effectuation of a health care provision agency cooperative function is established through a communication network linking all the various entities of the cooperative. The entities include the third party payor members, the health providing individuals, clinics, or the like, along with secondary providers including pharmacies and laboratories, health care facilities such as hospitals, and the several entities associated with management of the cooperative and appropriate funds transfer functions. A coordinating interface system maintains data storage of the necessary information, and manages the entity intercommunications in accordance with the basic structure of the active and eligible elements of the agency cooperative.

Brief Summary Text (8):

Still other data processing systems have utilized computer programs, computers and data processing communication networks to interconnect a plurality of care providers, banks and insurance companies through a central computer to allow determinations of coverage and payments for patients, such as in U.S. Pat. No. 4,858,121 by Barber et al, U.S. Pat. No. 4,916,611 by Doyle et al, and U.S. Pat. No. 5,070,452 by Doyle et al. Such prior art arrangements have not provided the systems and methods for effectuating a fully integrated and cooperative system for dispensing and managing health care.

Brief Summary Text (10):

The functions associated with health care provision assistance, in accordance with the present invention, advantageously utilize communicating computer equipment and a multiplicity of interconnected terminals and locations all associated with one or more of the multiple facets of an agency-cooperative health care provision and management system. Health care providers (such as doctors, hospitals, pharmacies and the like), insurance companies (including employer self insurance programs, no fault insurance programs, and government programs) and a financial institution are connected via computer terminal to a central data switch and repository computer which provides the interface between the terminals and records every transaction among the terminals. The data switch and repository is also connected to terminals associated with a coordinated management system. The management system handles the system housekeeping functions of the cooperative by monitoring the databases within the repository to ensure adequate performance by service providers and insurance companies.

Brief Summary Text (11):

A qualified member is issued an electronic card, or the like, by the financial institution, which also provides a credit level to the member. When the member visits a health care provider, the provider sends a diagnostic code to the member's insurance company and requests an authorization code which indicates the eligibility of the member for health care. The financial institution indicates whether the member has credit. After the member has received medical treatment, the provider submits a claim to the insurance company, which adjudicates the claim and notifies the financial institution to pay the claim on behalf of the third party payor and the insured member. The financial institution pays the provider's claim in full, minus a transactional fee used to pay for the bank's services and a reserve account to cover bad debt and charity care. The insurance company, or third party payor, sends an explanation of benefits to the provider, and also to the member showing which portion of the claim was paid by the insurance company and which must be paid by the patient. The bank bills the patient for the patient's share of the provider's bill which the bank has advanced. The patient and insurance company bills include a service charge to pay for the data switch and repository and management services. The bank also sends a detailed financial transaction report to the provider.

Brief Summary Text (12):

All of the transactions among the provider, insurance company, and financial institution are interfaced through the data switch and repository which records each transaction. The data switch and repository could consist of all of the databases located at the various entities. However, for redundancy and backup, in the preferred embodiment, the data switch and repository is a separate database which downloads and records all of the transactions between the entities of the system. Thus, the repository can provide statistical reports to the providers, insurance companies, and management service which are useful in assessing such matters as treatment effectiveness, insurance company performance, profitability, and conformance with cooperative group requirements.

Brief Summary Text (13):

Thus, the initiation of a medical care request by the subscriber member sets in motion a chain of events evolving around the various facets of the horizontally integrated agency cooperative. The functions involve verification of the insurance eligibility and credit of the member, membership status of the health care provider, and electronic transfer of accounting related data, including electronic claim processing and the transfer of funds by the financial institution (on behalf of third party payors and insured members).

Brief Summary Text (15):

A plurality of terminals are assigned to respective entities of the cooperative agency organization, and a data switch and repository interfaces among the entities' terminals for determining that a user is eligible for health care and for authorizing funds transfers correlated to services provided by a cooperative health provider to an authorized user. A particularly attractive device for facilitating determination of eligibility is the contemporary electronic cards each assigned to a respective one of the members for enabling automatic communication with the information storage. Such a card acts as a national bank credit card for health care for the insured member, as an I.D. card for the insurance company, as an access card to the system, and as a vehicle for health care providers to submit claims and get paid.

Detailed Description Text (10):

In operation, the cooperative members are provided with an authorizing entry in a database managed and compiled by the interface system 10 when an appropriate service and fee payment is established by a member user associated with a terminal 30. The individuals are then given an identification code which preferably would take the form of an electronic access card or bank card. This allows access to the substantial technical capacity of member financial and banking services. This feature, including identification, billing and payment mechanisms, represents a potential savings over the administration of contemporary health provision systems.

Detailed Description Text (11):

The overall cooperative is based upon a membership which mutually agrees to the agency cooperative business relationship with potentially democratic management thereof. Thus, a network of interdependent agreements make up the cooperative thereby realizing increased efficiencies and economies of scale while lowering the costs to the members and subscribers. As a result, a managed and collaborative health care marketplace is created that ensures the availability and quality of care in a given locale or region. The cooperative structure can accommodate a single payor, or any third party arrangement, even to the extent of an entire Medicaid or Medicare system as a purchasing member. The arrangement promotes the provision of competitive quality health care services and the collective well being of the cooperative members.

Detailed Description Text (20):

Once the insurance company adjudicates the claim, the provider is fully reimbursed by the bank for the claim, minus a service charge. The service charge is used to pay for the bank services, the management service, the data switch and repository 310, and a reserve fund for bad patient debt. Thus, the health care provider does not have to worry about the intricacies of the patient's health care coverage, bad debt, slow payment by the insurance company, or the like. The provider's job consists solely of electronically verifying coverage and credit, providing health care, and submitting a simple electronic claim.

Detailed Description Text (24):

The overall cooperative is based upon a membership which mutually agrees to the agency cooperative business relationship with potentially democratic management thereof. Thus,

a network of interdependent agreements make up the cooperative, thereby realizing increased efficiencies and economies of scale while lowering the costs to the members and subscribers. As a result, a managed and collaborative health care marketplace is created that ensures the availability and quality of care in a given locale or region. The cooperative structure can accommodate a single payor, or any third party arrangement, even to the extent of an entire Medicaid or Medicare system as a purchasing member. The arrangement promotes the provision of competitive quality health care services, and the collective well being of the cooperative members.

Detailed Description Text (28):

The doctor provides health care to the patient and submits an electronic claim to the insurance company in step 106. The claim includes diagnostic codes and treatment codes so that the insurance company can adjudicate the claim. The claim is sent from the doctor's terminal 320 to the insurance company terminal 325 via data switch and repository 310, which also records the transaction and the codes.

Detailed Description Text (29):

In step 108, the insurance company adjudicates the claim and directs the bank to pay the doctor. The request is sent from the insurance company terminal 325 to the bank terminal 315 via the data switch and repository, which records the transaction.

Detailed Description Text (30):

In step 110, the bank pays the doctor. The bank pays the claim amount minus a service charge. Generally, electronic funds transfer (ACH type) will be used. In step 112, the insurance company sends an explanation of benefits to the doctor via data switch and repository 310, which records the transaction. The explanation of benefits may be mailed to the doctor as well. The explanation of benefits is also mailed to the patient, and acts as a bill for the patient's share of the claim. In step 114, the patient and the insurance company each pay their share of the claim amount to the bank.

Detailed Description Text (32):

FIG. 4 is a diagram showing data switch and repository 310 reports which may be provided to the entities. From the process flow of FIG. 3, it is evident that data switch and repository 310 maintains a database containing every transaction between the entities. Thus, by statistical analysis, it is possible for data switch and repository 310 to generate useful reports based upon these transactions. The reports which data switch and repository 310 generates for each entity depends on what is requested by the entity, and also what the entity is allowed to have in terms of confidentiality.

Detailed Description Text (34):

Block 210 shows the type of reports which might be provided to insurance companies. Again, an insurance company can access detailed data on patients insured with it, and global comparison data among all of the patients in the cooperative. These type of reports help insurance companies assess risk and determine whether a patient is being appropriately treated.

Detailed Description Text (35):

Block 215 shows the type of reports provided to management services. Management services is responsible for monitoring the transaction which take place in the cooperative and ensuring that the entities meet the requirements set by the cooperative. In addition, management services has the role of looking for more efficient and cost effective ways of doing business. The reports provided by data switch and repository 310 are vital in allowing management services to fulfil these responsibilities. For example, management services monitors the performance of each insurance company by checking how long it takes for each company to adjudicate claims and whether each insurance company is paying meritorious claims as determined by the cooperative. Management services can also monitor the comparative effectiveness of health care providers, both in terms of patient outcomes and cost.

Detailed Description Paragraph Table (1):

ADDENDUM

SYSTEM INTERFACE DEFINITIONS DETAIL INTERFACE DEFINITIONS

STEP 1

PROVIDER CONTRACTS AND PROVIDER DATA BASE JC arranges Provider Organization Service Agreements to be attached to Provider Membership and Agency Contracts. Provider member organization assists in the distribution of JCB Provider Agreements and JustCare Provider Automatic Deposit Authorization forms. When agreements are complete and information available, JC collects and organizes Payor/Payee data for JCB and

individual physician data for JCA. MSF #1 Approved Physician/Supplier Information for entry into JCA Data Base JC .fwdarw. JCA JC collects Physician/Supplier information and submits for entry to JCA Data P/E Base, to include: Physician/Supplier I.D. Assigned by JCA - 10 Alpha digits Physician/Supplier Type Code* Physician/Supplier Name Physician/Supplier Title Provider/Payee (Corporate) Name(s) Provider/Payee (Corporate) Tax I.D. Number(s) Physician/Supplier I.D.'s: Medical License Number DEA Number UPIN or Medicare Number (if required by JustCare) Secondary UPIN Number Individual Tax I.D. Number/Social Security Number JustCare Physician/Provider Organization Specialty 1 Specialty 2 *Note: Provider Type may be a segmented code with three pieces of information, as follows: a) A single alpha code representing the Primary Care Setting (G = Group, I = Individual Practitioner, C = Clinic, H = Hospital, etc) b) A two digit alpha code representing category of primary care (FP = Family Practice) c) A three digit alpha code representing subspecialty care (END = Endocrinology) Locations (1 to n) including Provider/Payee location: Street Line 1 Street Line 2 multiples to 6 City (Will publish 3) State Zip Phone MSF #2 JCA Data Base Information to Providers, Insureds, Purchasers, Agents, etc. JCA .rarw..fwdarw. 800 JCA maintains Physician/Supplier Data Base for directory information and T referral calls from other providers, insureds, purchasers, agents, etc. MSF #3a Provider/Payee information to be Provided to JCB by JCA JC .fwdarw. JCB JCA prepares tape, diskette, or other means (medium to be determined by JCA .fwdarw. JC (PHASE II) receiving organization) to transfer Provider/Payee File (subset of E or P Physician/Supplier file) information to JCB. Information to include: Record Type Numeric (2) JCA ID Alpha (8) Provider/Payee ID Alpha (up to 10) Provider/Payee Name Alpha (36) Primary Mailing Address Line 1 Alpha (30) City State Alpha (22) Zip Numeric (5) Zip Suffix Numeric (4) Phone Number Numeric (10) A/C/I A = ACTIVE Alpha (1) C = CHANGE I = INACTIVE NOTE: JC (or JCA) will deliver Provider/Payee JCB Provider Agreements and Provider/Payee Automatic Deposit Authorization forms to JCB by priority mail. JCB adds the following information to their system from the JCB Provider Agreement and Deposit Authorization Approval Form. Payee Tax ID (EIN) Alpha (9) Bank account number Alpha (17) Transroute Alpha (9) Faxphone Numeric (10) Signer/Contact Alpha (24) MSF #3b Physician/Supplier Information to be Provided to INS/TPA/SF by JCA JC .fwdarw. INS/TPA/SF if requested by INS/TPA/SF, JCA will supply Total Provider File (i.e. Physician/Supplier JCA .fwdarw. JC (PHASE II) plus Provider/Payee information. E Information to include: Record Type Numeric (2) JCA ID Alpha (8) Provider/Payee or Physician/Supplier Alpha (10) Provider/Payee or Physician/Supplier Alpha (6) Provider/Payee or Physician/Supplier Alpha (36) Address Line 1 Alpha (30) City, State ID Alpha (22) Zip Numeric (5) Zip Suffix Numeric (4) Phone Numeric (10) A/C/I A = ACTIVE Alpha (1) C = CHANGE I = INACTIVE Faxphone Numeric (10) Signer/Contact Alpha (24) Provider/Payee Tax ID (EIN OR S.S. No.) Alpha (9) MSF #4 Access to JCA JustCare Data Base by JC from On-Line Terminal/PC JC .fwdarw. JC for Inquiry, Verification and Reporting E On-Line Communications are established that enable JC to access information available from JCA Data Base, to include information on Provider/Payees Physicians/Suppliers Utilization Review Claims Purchasers, etc. Reporting mechanisms are initiated and run by JC. Printouts from JCA available upon request. MSF #5 Patient Eligibility and Credit Verification JCB .fwdarw. PRO (PHASE II) JCB provides equipment and software to Provider/Payee or assists E Provider/Payee with set-up capability (only) for electronic communication w/JCB for online eligibility and credit verification MSF #6 Medical Claims submission PRO .fwdarw. JCA JCA or ECP assists Provider/Payee with set-up capability (only) for E electronic communication for Claim Submission STEP 2 JUSTCARE MEMBERS MARKET JUSTCARE COOPERATIVE TO POTENTIAL PURCHASERS JustCare INS/TPA/SF Members. (Payors) market the JustCare Cooperative through normal channels usually associated with their products. Some INS/TPA/SF members will utilize the services of independent insurance agents. Others may use direct marketing personnel. Third party administrators will inform their employer base directly. Self-funded companies may learn of JustCare through their brokers. Potential purchaser (employer member) will express interest and additional information will be made available through a proposal (insurance quote) received from the direct marketing representative and/or the independent insurance Agent who has an established relationship with a JustCare Insurance Member. TPAs and self-funded employers (or their broker) will work through a JustCare administrative contract to receive pricing information. If the potential PUR accepts the insurance proposal, the membership process begins by completion of Insurance Application materials to include: Insurance or Administration Application JCB Required EFT (Electronic Funds Transfer) Authorization for Premium (if appropriate) Insured Enrollment Information, i.e. Statement of Insurability Enrollment Card Premium Deposit Check (estimated first period premium) Employees complete the following documents for JustCare acceptance: JustCare Individual Consumer Member Application and Agreement Employees receive at this time the JustCare Plan Instruction Packet, which includes a summary of the Articles and Bylaws. The JustCare INS Member Representative (marketing representative or independent agent) delivers all insurance documents to INS. Either Agent or INS delivers to JustCare the

JustCare Individual Consumer Member Application and Agreement. INS Member approves or rejects insurance application. Individual Consumer Retains the second copy (pink). JC receives from INS or INS Agent the JustCare Individual Consumer Member Application and Agreement from the Purchasing organization; JC separates the original (white) from the copy (yellow); batches and fogs the originals (white) and retains the copy (yellow) for JustCare's records. * * * * * Since no decision regarding group acceptance is made by TPA/SF organizations, the enrollment process does not have to await

Detailed Description Paragraph Table (2):

acceptance. TPA/SF representative completes with Purchaser the following: Any internal Purchaser acceptance documents JCB required EFT (Electronic Funds Transfer) Authorization for Premium (if appropriate). Premium Deposit Check if appropriate (estimated first period premium) The TPA/SF representative is responsible to see that the Employees complete the following JustCare documents: JustCare Individual Consumer Member Application and Agreement TPA/SF agent delivers to JustCare the JustCare Individual Consumer Member Application and Agreement. The Consumer Member retains the second copy (pink) of this form. JC receives the JustCare Individual Consumer Application and Agreement and separates the original (white) from the copy (yellow). JustCare batches and logs the Individual Consumer Member Application and Agreement, and forwards the original to JCB. The copy (yellow) is retained by JustCare. STEP 2b ENROLLMENT AND BANK CARD PROCESSING DESCRIPTIVE PROCESS FOR PURCHASERS UTILIZING JUSTCARE THROUGH AN INDEMNITY INSURANCE CARRIER: MSF #7 Selected data Regarding Approved Purchaser Group INS .fwdarw. JCA/JC INS .fwdarw. JC (PHASE II-Download) E or P After Purchaser has been approved by INS, INS provides JC/JCA with select data regarding approved Purchaser, to include: *Group Name (Purchaser) *Group Policy Number *Effective Date (Issue Date) *Number of Employees * JCA creates a Master Policyholder File from this information. MSF #8 Group Data: Purchaser Info., Group I.D., Premiums, Enrollment, Account No.s INS .fwdarw. JCB INS .fwdarw. JC (PHASE II/Download) E INS provides Purchaser Information to JCB via electronic transmission. Purchaser information transmitted by INS to JCB: Record Type Numeric (2) JCA ID Alpha (8) INS/TPA/SF Name Alpha (36) * Group Policy Number Alpha (10) Effective Date MMDDYY Numeric (6) Primary Mailing Address Line 1 Alpha (30) Primary Mailing Address Line 2 Alpha (30) City State ID Alpha (22) Zip Numeric (5) Zip Suffix Numeric (4) Phone Number Numeric (10) Fax Phone Number Numeric (10) Payor Cross Reference Alpha (20) * Transfer of INS Name to JC Card limited to 25 characters Enrollment Information transmitted by INS to JCB: Record Type Numeric (2) JCA ID** Alpha (8) INS/TPA/SF ID Alpha (10) Insured's Name (Primary Name) Alpha (25) Primary Birth Date (MMDDYY) Numeric (6) Dependents Numeric (2) * Insured's First Line Address Alpha (30) * insured's Second Line Address Alpha (20) * Insured's City, State ID Alpha (22) * Insured's Zip Numeric (5) * Insured's Zip Suffix Numeric (4) * Insured's Home Phone Number Numeric (10) Insured's Social Security Numeric (9) Insured's Cert/Subscriber No. Alpha (10) Group Policy Number Alpha (10) Additional Reference Alpha (40) (i.e. subsidiary of purchaser, etc.) Cobra Reference (Alpha) (1) Primary Care Provider ID Alpha (10) CoApp (Spouse) Name Alpha (25) CoApp (Spouse) SSN Numeric (9) A/C Alpha (1) A = Add = Issue Card C = Change = See Step 6 regarding changes which will affect the reissue of a card (same Card Identification Number) Maximum Out of Pocket Numeric (S9,2) * INS to obtain and transfer to JCB. In the event INS is incapable of providing data elements (*'d) to JCB, JCB will obtain and enter data from Cardholder Agreement. ** NOTE: INS/TPA/SF must supply JCA ID. One INS/TPA/SF may utilize more than one JCA. INS/TPA/SF must send separate batches for separate JCA's to JCB. Tier Rating Numeric (1) 1 = Employee Only 2 = Employee & Spouse 3 = Employee & Dependent(s) 4 = Full Family Effective Date of Coverage Numeric Julian Date Credit (Y/N) Alpha (1) Eligible (Y/N) Alpha (1) At this point JCB will have received from JC the JCB Cardholder Application and Agreement. JCB matches with enrollment data downloaded by INS. JCB completes their Insured's Data Base. JCB assigns identifying information to NEWLY INSURED POPULATION Data Base, to include: JCB/insured Account (Card) Number Numeric (16) PHASE I NOTE: JCB will make Insured Data Base available to JC upon request. PHASE II NOTE: When JC has available their own Insured's Data File, it will contain space for a listing of dependents and their eligibility as well. This was projected in order to cover the needs of any HMO's or other organization requiring records on insured lives rather than on insured employees. * * * * * INS will forward to JCB premium payment mechanism for automatic premium withdrawal to be completed by Purchaser. JCB will be responsible for all bank related data in the JCB System. See MSF #8b following: MSF #8b EFT (Electronic Funds Transfer) Form placed on file with JCB INS .fwdarw. JCB (PHASE II) P INS sends to JCB premium payment mechanism (EFT form) for automatic premium withdrawal completed by Purchaser. JCB will be responsible for the entry of all Purchaser bank related data in the JCB System. * * * * * DESCRIPTIVE PROCESS FOR SELF FUNDED PURCHASERS OR PURCHASERS UTILIZING JUSTCARE THROUGH A THIRD PARTY ADMINISTRATOR: MSF #44 Selected Group Data from TPA/SF to JC/JCA TPA/SF .fwdarw. JCA/JC TPA/SF .fwdarw. JC (PHASE II-Download) P

TPA/SF Representative provides JC/JCA (with assistance from JC) select data regarding approved TPA "Account" or SF corporation, to include: *Group Name/Purchaser Name *Group Policy Number, if applicable *Effective Date (Issue Date) *Number of Employees * JCA creates a Master Policyholder File from this information. Reference MSF #7 NOTE: TPA/SF Representative delivers to JC the following documents: JustCare Individual Consumer Member Application and Agreement MSF #45 Purchaser/Enrollment Data from TPA/SF to JCB TPA/SF .fwdarw. JCB TPA/SF .fwdarw. JC (PHASE II-Download) E TPA/SF provides Purchaser/Enrollment Information to JCB (with assistance from JC) via electronic transmission. Information to include: Purchaser information transmitted by TPA/SF to JCB: Record Type Numeric (2) JCA ID Alpha (8) TPA/SF Group Name Alpha (36) * Group Policy Number Alpha (10) Effective Date MMDDYY Numeric (6) Primary Mailing Address Line 1 Alpha (30) Primary Mailing Address Line 2 Alpha (30) Purchaser's City State ID Alpha (22) Zip Numeric (5) Zip Suffix Numeric (4)

Detailed Description Paragraph Table (3):

Phone Number Numeric (10) Payor Cross Reference Alpha (20) Enrollment Information transmitted by TPA/SF to JCB: Record Type Numeric (2) JCA ID ** Alpha (8) INS/TPA/SF ID Alpha (10) Insured's Name (Primary Name) Alpha (25) Primary Birth Date (MMDDYY) Numeric (6) Dependents Numeric (2) * Insured's First Line Address Alpha (30) * Insured's Second Line Address Alpha (20) * Insured's City State ID Alpha (22) * Insured's Zip Numeric (5) * Insured's Zip Suffix Numeric (4) * Insured's Home Phone Number Numeric (10) Insured's Social Security Number Numeric (9) Insured's Cert/Subscriber Number Numeric (10) Group Policy Number Alpha (10) * TPA/SF to obtain and transfer to JCB. If TPA/SF is incapable of providing data elements (*'d) to JCB, JCB to obtain from Cardholder Agreement & enter into JCB system. ** NOTE: INS/TPA/SF must supply JCA ID. One INS/TPA/SF may utilize multiple JCA's. INS/TPA/SF must send separate batches for separate JCA's. Additional Reference Alpha (40) (i.e. subsidiary of purchaser, etc.) Cobra Reference (Alpha) (1) Primary Care Provider I.D. (Alpha) (10) CoApp (Spouse) Name Alpha (25) CoApp (Spouse) SSN Numeric (9) A/C Alpha (1) A = Add = Issue Card C = Change = See Step 6 regarding changes which will affect the reissue of a card (same Card Identification Number) Maximum Out of Pocket Numeric (S9,2) Tier Rating Numeric (1) 1 = Employee Only 2 = Employee & Spouse 3 = Employee & Dependent(s) 4 = Full Family Effective Date of Coverage Numeric Julian Date Credit (Y/N) Alpha (1) Eligible (Y/N) Alpha (1) TPA/SF Representative delivers to JC the following documents: JustCare Individual Consumer Member Application and Agreement JCB assigns identifying JCB codes to NEWLY INSURED POPULATION, to include: JCB/insured Account (Card) No. Numeric (16) PHASE I NOTE: JCB will make TPA Insured Data Base available to JC upon request for labels, statistical analysis, etc. MSF #45b EFT (Electronic Funds Transfer) Form placed on file with JCB TPA .fwdarw. JCB (PHASE II) If appropriate, TPA sends to JCB premium payment mechanism (EFT form) for P automatic premium withdrawal completed by Purchaser. JCB will be responsible for the entry of all Purchaser bank related data in the JCB System. MSF #9 JustCare I.D./Bank Card including data on bank card magnetic stripe JCB .fwdarw. PUR JustCare Card designed by JCB and mailed to Employee Card to contain E/C the following information: Printed Information on front of card: JustCare (name) Printed Information on back of card: Authorized Signature Line Credit Instructions from JCB JCA Telephone Number for Authorization Requests JCA Name and Address for Claim submission Embossed Information: INS Name or TPA/Employer Name or SF Name JCB/Insured Account (Card) Number JCA Identifier (alpha descriptor) * Insured's Name (Spouse's card carries name of Insured) Insured's Subscriber/Certificate No. (S.S. No.) Tier Rating or Plan Type Group Policy Number Magnetic Stripe Information: JCB/Insured Account (Card) Number ** Indicates those items conveyed by JCB as normally on Magnetic Strip STEP 3 PATIENTS ACCESS JUSTCARE SYSTEM USING JUSTCARE CARD; CAPTURE OF ENCOUNTER DATA BY JCB Patient (Insured or Dependent)/Provider Encounter occurs. Patient presents JC Card to Physician/Supplier for identification and eligibility of insurance. Three methods of receiving verification of eligibility and authentication of credit status are available to Provider/Payee: 1) 800 Number 2) Electronic device (terminal or card swipe machine) 3) Through referral source NOTE: The availability of an authorization number provides assurance and convenience to the Provider/Payee and the patient that an authorization inquiry has been made. The information provided at the time of inquiry is "best information available at the point of inquiry" and does not guarantee future credit availability. METHOD 1: (800 Number) MSF #10 800 Number for Patient Eligibility and Credit Status PRO .fwdarw. JCA Provider/Payee calls JCA on 800 Number and verbally conveys JCB/insured T Account (Card) Number and Provider/Payee Name and/or ID. NOTE: In those situations where a patient may present without the JC Card, Provider/Payee requests from patient the subscriber's name and Social Security Number. This information can be given to JCA in place of the JCB/insured Account (Card) Number. JCA accesses JCB by Insured's Name using the #800 number, and receives Authorization Number if the JCB can match the Insured's Name and Social Security Number. MSF #12 Patient Eligibility & Credit Status to Answer 800 Number Provider Inquiry JCA .rarw..fwdarw.

JCB JCA keys JCB/Insured Account (Card) Number and Provider/Payee Number into PC terminal in order to access JCB. MSF .fwdarw. 13b Authorization Number Generated by JCB in Response to Provider 800 Number JCB .fwdarw. JCA Inquiry via JCA E JCB transmits to JCA terminal the following information: JCB/Insured Account No. (Card Number) INS/TPA/SF Name Group Policy Number Insured's I.D. (Social Security/Subscriber/Certificate No.) Insured's Name Authorization Number (if eligibility = Y) (If patient is not eligible for coverage, no Authorization number will be generated, and a message will read "PATIENT NOT ELIGIBLE") Credit Status: (SEPARATE LINE ITEM) Y = Yes Credit Available to read "CREDIT AVAILABLE" N = No Credit Available to read "NO CREDIT AVAILABLE" NOTE: Because JCB will receive inquiries from various JCA's, it is imperative that the Encounter Data be collected by JCA for return of captured data. Also, for reporting purposes the Authorization Number should be used in conjunction with the JCA ID. METHOD 2: (Electronic Device) PHASE II MSF #11 Card Swipe or Keyed Input for Patient Eligibility and Credit Status PRO .rarw..fwdarw. JCB Physician/supplier swipes card or keys input into PC terminal direct to E JCB. JCB accesses JCB Data Base by Card Number. Electronic equipment used identifies Provider/Payee ID. MSF #13a Authorization Number Generated by JCB in Response to Card Swipe NOTE: THIS OPTION NOT YET DEVELOPED BY JCB. JCB .fwdarw. PRO (PHASE II) JCB electronically returns on Printer Box Eligibility, Credit Status & Authorization E Number, as follows: Insured's Name Authorization Number (if Eligibility = Y) (If patient is not eligible for coverage, no authorization number will be generated and message will read: "PATIENT NOT ELIGIBLE") Credit Status (SEPARATE LINE ITEM) Y = Yes = JCB Credit is Available to read "CREDIT AVAILABLE" N = No = JCB Credit is NOT Available to read "NO CREDIT AVAILABLE" Authorization Number Generated by JCB in Response to Keyed Inquiry: NOTE: THIS OPTION UNDER REVIEW BY JCB. JCB .rarw..fwdarw. PRO (PHASE II) T/E JCB electronically returns on Provider/Payee's Terminal information regarding Eligibility, Credit Status, and Authorization as follows: JCB/Insured Account No. (Card Number) INS/TPA/SF Name (whichever is appropriate) Group Policy Number Insured's Subscriber/Certificate Number Insured's Name Authorization Number (if Eligibility = Y (if patient is not eligible for coverage, no Authorization number will be generated, and a message will read "PATIENT NOT ELIGIBLE")

Detailed Description Paragraph Table (4):

Credit Status: (SEPARATE LINE ITEM) Y = Yes Credit Available to read "CREDIT AVAILABLE" N = No Credit Available to read "NO CREDIT AVAILABLE" METHOD 3: (Referral Source) Referring Provider gives Authorization Number to referring Pharmacy, lab, or x-ray provider with referring order or script. MSF #13c Authorization Number Conveyed to Provider/Payee from JCB via JCA JCA .fwdarw. PRO JCA verbally returns to Provider/Payee on 800 Number the Coverage T Status, the Credit Status, and the Authorization Number provided by JCB. * * * * * GENERAL NOTES REGARDING AUTHORIZATION PROCESS: JCB responsible for the creation of an 11-digit authorization numbering system which will ultimately convey four pieces of information. 1) Digit 1: the year of the authorization, by using a single character code (to save space) as follows: A = 1995 B = 1996 etc. to H = 2000 2) Digit 2: A one character code used for indication of an authorization number that was requested by Provider/Payee). 3) Characters 3-10: A unique sequential number (00,000,001 to 99,999,999), and 4) Character 11: the credit status (Yes or No) A suggested numbering system might be: AJ00000001Y = A = 1995; P = Authorization Number requested by Provider 000000000 1 = Sequential Authorization Number Y = Yes Credit Status; 5) The authorization number will be associated in some reporting instances with the JCA ID (Alpha/Numeric). This will provide several key pieces of data, including the service area for various out of area claims. 2. if an authorization number is not obtained by the Provider, JCA will request an authorization number from JCB when the claim arrives for repricing by JCA, using the following process: a. An attempt is made to find a matching record in the Encounter File, accessing the encounter by Insured's Name or Social Security Number. If the name can be matched to an existing Authorization Number, the number is manually added to the claim. b. If claim cannot be matched to an existing Authorization Number in the Encounter File, JCA will request from JCB an Authorization Number in the usual manner. JCA will replace the default "P", with a "J" in the Authorization Number (second digit) and the number manually entered on the claim. c. Claims which require an Authorization Number to be added by JCA may be set aside for processing and repricing when the Encounter File containing that Authorization Number has been downloaded by JCB to JCA. JCA will convert the "P" code to a "J" code to the Encounter File at the time of processing and repricing (either from the claim or through some other procedural step). 3. Current JCA computer system can accommodate 11 alpha/numeric digits. The above system allows up to 100 million claims per year. 4. Base authorization numbers may be used more than once by different providers when services are connected to the same encounter. MSF #49 Authorization Data Captured for Encounter JCB .fwdarw. JCB JCB captures the data produced during the electronic access for authorization E number through JCB/Insured

Account Number. Captured data is stored in an Encounter File for periodic downloading to JCA. (The capture of certain data elements at this point eliminates data entry of those same data elements in the repricing step by JCA). Data elements to be captured include: Record Type Numeric (2) Authorization Number Alpha (11) Authorization Date Numeric (6) Provider/Payee ID Alpha (10) Insured's Name Alpha (25) Insureds Social Security Numeric (9) Insured's Cert/Subscriber Number Alpha (10) Insureds Street 1 Alpha (30) Insureds Street 2 Alpha (20) City, State ID Alpha (22) Zip Numeric (5) Zip Suffix Numeric (4) Date of Birth Numeric (6) Group Policy Number Alpha (15) Additional Reference Alpha (40) MSF #50 Authorization Data Sent by JCB to JCA JCB .fwdarw. JCA JCA receives Encounter data captured by JCB at time of Authorization through JCB .fwdarw. JC (PHASE II-Download) periodic downloading (MSF #49). These data elements are retrieved by JCA at E time of repricing (by Authorization Number). This step 1) provides accuracy verification of Authorization number, 2) simplifies the process of data entry for JCA and 3) provides JCA with confirmation of Authorization Numbers issued electronically to Provider/Payee (STEP 3, Method 2). NOTE: JCA (or a National JCA) will maintain the active encounter file. Past files will be archived for periodic analysis. JCB can archive their version of the Encounter File (if desired), based on their own requirements. STEP 3b AUTHORIZATION FOR HEALTH SERVICES AND REFERRAL When Physician/Supplier is required to seek U/R approval, the following sequence is followed: MSF #16 Utilization Criteria Review for Health Services and/or Referral PRO .fwdarw. JCA To receive U/R Approval Number Physician/Supplier calls 800 Number at T JCA (or other utilization review organization*) and gives JCA the following information: Physician/Supplier/Identifying Information Insured's Name Patient Name (if dependent of Insured) Group Policy Number Subscriber Number Medical information (Dx, Exam, Proc, etc.) as requested by JCA *Payor Members will have the option of selecting their own utilization review body. MSF #16b U/R Approval or indication of Benefits Status (i.e. not covered, restrictions, etc.) JCA .fwdarw. PRO JCA conveys during telephone interview with Physician/Supplier that T approval for medical procedure or hospital admission is granted or informs Physician/Supplier of any existing restriction. MSF #17 U/R Approval Number for Health Services or Referral JCA .fwdarw. PRO JCA evaluates medical information based on pre-determined criteria. T JCA indicates approval or Benefit Status (i.e. not covered, restrictions, etc.). JCA issues U/R Approval Number to Physician/Supplier by phone and captures in JCA computer system. MSF #17b U/R Approval Number Sent with Claim PRO .fwdarw. JCA Provider/Payee includes U/R Approval Number on Claim when submitted P (mailed) to JCA MSF #18 U/R Approval Number Sent with Claim JCA .fwdarw. INS/TPA JCA sends UIR Approval Number to INS/TPA w/Claim & Repricing Sheet. Note: The U/R Approval number to be designed so that it is distinct from the JustCare Authorization Number, in the following way: P + 000001 (P = Physician = Outpatient) H + 000001 (H = Hospital = Inpatient) STEP 3c PATIENT WITH JUSTCARE CARD ACCESSES NONPARTICIPATING PROVIDER; CLAIMS AND PAYMENTS Since the JustCare Card is available for non-participating physicians and other providers to verify eligibility only, JCA and JCB will need to be able to accommodate these types of calls. To do so, JCB will establish a unique Provider Number only for the purpose of assigning authorization numbers. (Approved by JCB 10/12/94). When JCA receives a call from a non-participating provider, JCA will enter that unique Provider ID along with the JC Card Number. If the JustCare insured is eligible for coverage, the Authorization number will be supplied to the non-participating provider and the available data captured for the Encounter Data download. MSF #19 800 Number for Coverage Verification. NONPAR PRO .fwdarw. JCA Non-participating Provider calls National JCA 800 Number for information T relative to coverage verification. Non-participating Provider gives to JCA the JCB/Insured Account (Card) Number and Provider Name. MSF #19b JCA contacts JCB via terminal for eligibility of coverage. (same as MSF #12, #13b and 13c) JCB .fwdarw. JCA JCA keys Card Number into PC terminal in order to access JCB. JCB transmits T/E to JCA terminal the following information: JCB/Insured Account No. (Card Number) INS/TPA/SF Name (whichever is appropriate) Group Policy Number Insured's Subscriber/Certificate Number Insured's Name Authorization Number (if Eligibility = Y) (if patient is not eligible for coverage, no Authorization number will be generated and a message will say "PATIENT NOT ELIGIBLE" Credit Status (SEPARATE LINE ITEM)

Detailed Description Paragraph Table (5):

Y = Yes = JCB Credit is Available to read "CREDIT AVAILABLE" N = No = JCB Credit is NOT Available to read "NO CREDIT AVAILABLE" MSF #20 Authorization Number for Coverage Only JCA .fwdarw. NONPAR PRO JCA gives Verification of Eligibility and Authorization Number to Non- T Participating Provider for non-participating claim *. *Credit status not available for non-participating service. MSF #20a Patient Sends Non-Participating Claim to JCA Patient .fwdarw. JCA Having paid (or made arrangements for direct pay) the Non-Participating P Provider, the patient receives a hard copy claim from the Non-Participating Provider. Patient submits claim to JCA with paid receipt (if applicable). * * * OR * * * MSF #20b Non-Participating Provider Receives Assignment and sends Claim

with Authorization Number to JCA NONPAR PRO .fwdarw. JCA Non-Participating Provider may request assignment and take P responsibility for Claim Submission to JCA. Non Participating Provider includes Authorization Number on claim, if obtained. MSF #20c JCA Submits Non-Participating Claim to INS/TPA/SF JCA .fwdarw. INS/TPA/SF JCA receives Non-Participating claim from patients and Non-Participating P Providers, captures basic claim data, and forwards without repricing to INS. STEP 3d PATIENT (NEW TO PROVIDER) ACCESSES JUSTCARE PROVIDER WITHOUT JC CARD; CLAIMS AND PAYMENTS Where an unknown Patient fails to present a JustCare Card at the time of treatment, the Provider/Payee may request payment at the time of treatment and/or bill the patient directly. Having paid (or made arrangements for direct pay) the Provider/Payee, the patient receives a hardcopy claim from the Provider/Payee. Patient submits claim to JCA with paid receipt. MSF #23 Claim and Re-Pricing Sheet Prepared by JCA JCA .fwdarw. INS/TPA/SF JCA receives claim from patient, captures all pertinent claim data, and reprices P/E the claim. JCA forwards claim (paper or electronic) and Claim Charge Sheet (Repricing Cover Sheet) to INS/TPA/SF. U/R Approval number (if appropriate) may also be sent to INS, depending upon the U/R procedures in place with INS. NOTE: Refer to Step 4 for a more indepth description of JCA's role to reprice claim, collect U/R data and forward claim to INS. "Patient Submitted" Claims are adjudicated by INS; payment determined, and Patient reimbursed by INS/TPA/SF when EOB is sent to Patient. INS/TPA/SF submits EOB as Paid to Provider. Provider reimburses overpayments previously collected from patient (or balance bills patient as appropriate). MSF #21 INS/TPA/SF Sends EOB Summary Data to JC INS/TPA/SF .fwdarw. JC INS/TPA/SF is responsible for sending EOB summary data regarding transaction INS/TPA/SF .fwdarw. JC to JC. EOB data may be sent at time of processing EOB as an additional copy (PHASE II-Download) to JC. In PHASE II, information may be sent as a daily download. P EOB information to include: Date of Transaction (ACH Date) Date of Service Group Policy Number Provider/Payee Name Provider/Payee Tax ID Insured Name Insured's Certificate Number Patient Name Patient Social Security (if available) EOB/Claim Number Billed Charges Amount Appropriate Discounts Exclusions: COB, etc. Insurance Pay Portion Patient Pay Portion Non Covered Charges NOTE: Should the Physician/Supplier attempt to determine eligibility of the unknown patient through the JCA and eligibility/credit is determined, the Provider/Payee may proceed with submission of claim as in STEP 4. STEP 4 SUBMISSION AND PRE-PROCESSING OF "YES" COVERAGE/"YES" CREDIT CLAIMS AND "YES" COVERAGE/"NO" CREDIT CLAIMS Having treated a patient (Insured or Dependent), The Provider/Payee submits claim to JCA, regardless of the credit status rating given in the Authorization process. MSF #22 Claim Submission by Provider/Payee with Authorization Number and PRO .fwdarw. JCA Utilization Review Approval P/E Provider sends claim (paper or electronic) to JCA, to include all typical claim information plus: Authorization Number, if obtained, and U/R Approval Number, if appropriate Authorization signature for Insured to assign benefits remains on file with PRO. MSF #23 Preprocessing of Claim and Repricing Sheet JCA .fwdarw. INS/TPA/SF JCA .fwdarw. JC (PHASE I-Hardcopy monthly summary of repriced claim data) JCA .fwdarw. JC (PHASE II-Download) P/E JCA receives claim, captures all pertinent claim data, and reprices claim. JCA forwards Claim (Paper or Electronic) and Claim Charge Sheet (Repricing Cover Sheet) to INS/TPA/SF, to include Authorization Number (regardless of credit status). U/R Approval Number, if appropriate, may also be forwarded to INS/TPA/SF depending upon their requirements. STEP 5 PROCESSING AND ELECTRONIC PAYMENT OF "YES CREDIT" CLAIMS MSF #24 and #25 INS Notifies JCB of Insurance Pay Portion and Patient Pay Portion INS/TPA/SF .fwdarw. JCB Having adjudicated the claim INS/TPA/SF transmits to JCB the "Post INS/TPA/SF .fwdarw. JC (PHASE II) Adjudication Claim Payment Data (Charges)" which contain the Insurance Pay E and Patient Pay information as follows: Record Type Numeric (2) INS/TPA/SF ID* Alpha (10) Group Policy Number Alpha (9) EOB/Claim No. Alpha (15) Insured's Social Security No. Alpha (9) Insured's Cert/Subscriber No. Alpha (10) Insured's Name Alpha (25) Patient Pay Amount Numeric (S9,2) Insurance Pay Amount Numeric (S9,2) Patient Name Alpha (25) Patient Social Security Numeric (9) Patient Cert/Subscriber No. Alpha (10) Date of Service Numeric (6) Physician/Supplier Name Alpha (36) Provider/Payee Tax ID (EIN or SS) Alpha (9) * For JC purposes. Number to be assigned by JC to INS/TPA/SF. May consist of JC in-house Member Number. NOTE 1: JCB generates a confirmation fax to INS summarizing the funding request, followed by a mailed confirmation. The detail of these documents is not currently available (12/1/94). NOTE 2: JCB validates the Patient Pay Portion against the Insured's bank credit limit. If the patient pay transaction is within the credit limits allowed by JCB, and if the patient has maintained a "Yes Credit" rating from the point of service, JCB transfers the funds as directed by INS/TPA/SF. If the patient pay portion exceeds the credit limits allowed by JCB or if patient has "lost credit", JCB follows the procedure described in Step 5d. MSF #26 & 27 Patient Pay Amount and Insurance Pay Portion paid through JCB Bank JCB .fwdarw. PRO Account: EFT to Provider/Payee Bank E Having received funding for INS Pay Portion from INS/TPA/SF and having approved "Insured's credit" at the transactional level, JCB transmits to Provider/Payee Bank Account the Insurance Pay Portion AND Patient Pay Portion Dollar

Amount (if credit is yes). JCB collects from one day's activity all transactions to be transferred to each Provider/Payee into one sum total. JCB faxes Notice of Transfer to Provider/Payee the day of the funding. Provider/Payee typically would receive funds the next day. Notice of Transfer to include the following items: Provider/Payee Name Total Amount of Transfer Bank Account where funds deposited JCB mails Enhanced Funds Transfer Notification to Provider/Payee for each day's transactions, to include: Header Information: Provider/Payee Name Provider/Payee Address Provider/Payee Tax ID Bank Account Number where funds deposited Line Item information: Date of Transaction Date of Service Patient Name Patient Social Security Number Insureds Name Policyholder Group Number Insureds Certificate/Subscriber Number Payor of Insurance Pay Portion (INS/TPA/SF) EOB Claim Number Physician/Supplier Name Gross Amount of Each Transaction Amount of JustCare Discount Amount of Insurance Pay Portion Amount of Patient Pay Portion Disbursed to Provider through JC Cardholder Account Amount of Provider Discount

Detailed Description Paragraph Table (6):

Net Payment Amount PHASE II: With electronic capability at the Provider/Payee's location, JCB may convert the Notice by Mail to a electronic download process. The following information is captured by date for download to JC: Date of Transaction Date of Service Provider/Payee JCA ID Insureds JCA ID Policyholder Group Number EOB/Claim Number Insured's Name Insured's Certificate/Subscriber Number Patient Name Patient Social Security (if available) Provider/Payee Name Provider/Payee Tax ID Physician/Supplier Name MSF #54 JC Notifies JCB of Collected Patient Pay Accounts for Transfer to JC .fwdarw. JCB Provider/Payee P/E (PHASE II) Once JC collects (through JC Collection Agency) Patient Payments after assignment by Provider/Payee, JC may notify JCB of amounts held in JC collection account for transfer by JCB to Provider/Payee Account. MSF #55 Patient Pay Amount From JC Collection Account to Provider/Payee by JCB JCB .fwdarw. PRO (PHASE II) JCB electronically transfers amounts paid by Patient from JC collection account E to Provider/Payee Account, faxes/mails confirmation of deposit to Provider/Payee; and collects data for monthly Provider Account Activity Statement (See MSF #26, STEP 5 and 5c). * * * * * If JC is unable to collect payment from Patient, the uncollected account is returned to Provider as a write-off. NOTE 2: SHOULD A SITUATION OCCUR WHERE THE CREDIT STATUS CHANGES BETWEEN THE POINT OF SERVICE AND THE ACCOUNTING TRANSACTION MADE BY JCB, JCB WILL PROCESS TRANSACTION WITH CREDIT INFORMATION AVAILABLE AT TIME OF TRANSACTION TRANSFER. a) IF CREDIT CHANGES FROM "YES" TO "NO", PROVIDER/PAYEE WILL HAVE TO BALANCE BILL THE INSURED FOR ANY AMOUNT REMAINING DUE. b) IF CREDIT CHANGES FROM "NO" TO "YES", BANK WILL TRANSFER THE PATIENT PAY PORTION FROM JCB'S FUNDS TO THE PROVIDER. SHOULD THIS RESULT IN AN OVERPAYMENT TO PROVIDER (BECAUSE THE PROVIDER/PAYEE APPROPRIATELY COLLECTED FUNDS FROM A "NO CREDIT" PATIENT), THE PROVIDER/PAYEE WILL REFUND OVERPAYMENT TO INSURED. The method of notification of "No Credit" Transactions to JC by JCB will change as the volume of "no credit" transaction increases, as follows: PHASE I: Faxed information plus notation on JCB Claims Summary Account Statement (MSF #30) PHASE II: Download information plus plus notation on JCB Claims Summary Account Statement (MSF #30) STEP 5e ACCESS TO JUSTCARE RESERVE ACCOUNT BY JCB AND BAD DEBT COLLECTION A. After monthly billing to Insured by JCB (see MSF #48 - STEPS 5 and 5c), the following billing sequence is established by JCB: 1) Initial billing provides 30 days for receipt of payment without interest or finance charges. 2) If Full or Required Payment* is not received by Due Date, JCB sends second billing at 30 days, with interest and/or finance charges added, giving a Final Due Date (an additional 30 days past the second billing). * If Required Payment is less than \$25, \$25 is the Required Payment B. If full or partial payment is not received by Final Due Date, JCB transfers responsibility for Debt Collection to JC at 90 days. This will be done by batch processing to coincide with Final Due Date Notices. The Insured's hard copy file will be turned over to JC to include: 1) Name and demographic data of Insured 2) Insured Statement Activity (historical) giving the detail of all patient encounters not paid 3) Total Balance Due plus Interest and Finance Charges 4) Collection process incurred by JCB (a) Date Notices given (b) Content of Notices given (i.e Standard Letter #2, etc.) (c) Collection history (i.e. phone conversations, etc) (d) Whether or not there is an alleged dispute 5) A hard copy Credit Bureau Report Note: JC will determine whether or not the Account should be turned to Collection or should be charged against the JC Reserve as a "can't pay" Gross Amount of Each Transaction Amount of JustCare Discount Amount of Insurance Pay Portion Amount of Patient Pay Portion Disbursed to Provider through JC Cardholder Account Amount of Provider Discount Net Payment Amount [TO BE DETERMINED] Amount Denied Credit - Referred back to Provider for Collection MSF #48 JCB Bills Patient for Patient Pay Portion JCB .fwdarw. Insured JCB sends a monthly statement to Insured, showing claim activity P Information to include: JCB/Insured Account (Card) Number Insured's (CardHolder) Name Insured's (CardHolder) Address, Zip Date of Transaction Date of Service Line Item Description, to include EOB/Claim Number Patient First Name Physician/Supplier Name

Patient Pay Dollar Amount Payment since Last Statement Minimum Payment Terms of Payment Balance Due Payment Due Date Concurrently: MSF #21 INS/TPA/SF Produces EOB and Distributes to Provider & Patient INS/TPA/SF .fwdarw. PRO/PATIENT INS/TPA/SF prepares EOB (Explanation of Benefits) and sends copies to PRO P and Patient. MSF #31 INS/TPA/SF Forwards EOB Data to JC INS/TPA/SF .fwdarw. JC/JCA INS/TPA/SF .fwdarw. JC (PHASE II-Download) P INS/TPA/SF is responsible for sending EOB summary data regarding transaction to JC. EOB data may be sent at time of processing EOB as an additional copy to JC. In PHASE II, information may be sent as a daily download. EOB Information to Include: Date of Transaction (ACH Date) Date of Service Group Policy Number Provider/Payee Name Provider/Payee Tax ID Insured Name Insured's Certificate Number Patient Name Patient Social Security (if available) EOB/Claim Number Billed Charges Amount Appropriate Discounts Exclusions: COB, etc. Insurance Pay Portion Patient Pay Portion Non Covered Charges STEP 5b PROCESSING AND ELECTRONIC PAYMENT OF "NO" CREDIT CLAIMS AND PAYMENTS MSF #24 & 25 INS Notifies JCB of Insurance Pay Portion and Patient Pay Portion INS/TPA/SF .fwdarw. JCB Having adjudicated the claim, INS/TPA/SF transmits to JCB the "Post INS/TPA/SF .fwdarw. JC (PHASE II) Adjudication Claim Payment Data (Charges)," which contain the Insurance Pay E Portion and Patient Pay Portion information as follows: Record Type Numeric (2) INS/TPA/SF ID* Alpha (10) Group Policy Number Alpha (10) EOB/Claim Number Alpha (15) Insured's Social Security Numeric (9) Insured's Cert/Subscriber Number Numeric (10) Insured's Name Alpha (25) Patient's Name Alpha (10) Patient Social Security Alpha (10) Patient Cert/Subscriber Number Numeric (9) Date of Service Numeric (6) Physician/Supplier Name Alpha (36) Provider/Payee I.D. (EIN or S.S.) Alpha (10) Patient Pay Amount Numeric (S9,2) Insurance Pay Amount Numeric (S9,2) * For JC purposes. Number to be assigned by JC to INS/TPA/SF. May consist of JC in-house Member Number. NOTE 1: JCB generates a confirmation fax to INS summarizing the funding request, followed by a mailed confirmation. If the transfer is not possible, JCB conveys to INS/TPA/SF the following information: Name of INS/TPA/SF

Detailed Description Paragraph Table (7):

Group Policy Number Insured's Name Insured's Social Security Number Insured's Cert/Subscriber Number Patient Pay Amount Insurance Pay Amount Provider/Payee Tax ID Reason for inability to transfer funds NOTE 2: JCB validates the Patient Pay Portion against the Insured's bank credit limit. Since there was no credit available at time of Authorization, the assumption is that no credit will be available at time of transaction. JCB follows the procedure described in STEP 5d, MSF #53. MSF #27 Insurance Pay Amount from INS/TPA/SF ACH Account: EFT to Provider/Payee JCB .fwdarw. PRO Bank E Having received funding for INS Pay Portion from INS/TPA/SF, JCB transmits to Provider/Payee Bank Account the Insurance Pay Portion. JCB adds to Provider's daily activity record all transactions to be transferred to that Provider/Payee that represent INS/TPA/SF payments only. JCB faxes Notice of Transfer to Provider/Payee the day of the funding. Provider/Payee receives funds the following day (normally). Notice of transfer to include: Provider/Payee Name Total Amount of Transfer Bank Account Number where funds deposited JCB mails Enhanced Funds Transfer Notification to Provider/Payee for each day's transactions, to include Header Information: Provider/Payee Name Provider/Payee Address Provider/Payee Tax ID Bank Account Number where funds deposited Line Item Information: Date of Transaction Date of Service Patient Name Patient Social Security Number Insureds Name Policyholder Group Number Insureds Certificate/Subscriber Number Payor of Insurance Pay Portion (INS/TPA/SF) EOB Claim Number Physician/Supplier Name Gross Amount of Each Transaction Amount of JustCare Discount Amount of Insurance Pay Portion Amount of Patient Pay Portion Disbursed to Provider through JC Cardholder Account Amount of Provider Discount Net Payment Amount PHASE II: With electronic capability at the Provider/Payee's location, JCB may convert the Notice by Mail to a electronic download process. The following information is captured by date for download to JC: Date of Transaction Date of Service Provider/Payee JCA ID Insureds JCA ID Policyholder Group Number EOB/Claim Number Insured's Name Insured's Certificate/Subscriber Number Patient Name Patient Social Security (if available) Provider/Payee Name Provider/Payee Tax ID Physician/Supplier Name Gross Amount of Each Transaction Amount of JustCare Discount Amount of Insurance Pay Portion Amount of Patient Pay Portion Disbursed to Provider through JC Cardholder Account Amount of Provider Discount Net Payment Amount [TO BE DETERMINED] Amount Denied Credit - Referred back to Provider for Collection Concurrently: MSF #21 INS/TPA/SF Produces EOB and Distributes to Provider & Patient Line Item Information: INS/TPA/SF .fwdarw. PRO/PATIENT INS/TPA/SF prepares EOB (Explanation of Benefits) and sends copies to PRO P and Patient. MSF #31 INS Forwards EOB Data to JC INS/TPA/SF .fwdarw. JC/JCA INS/TPA/SF is responsible for sending EOB data regarding transaction to JC. INS/TPA/SF .fwdarw. JC (PHASE II-Download) EOB data may be sent at time of processing EOB as an additional copy to JC. P In PHASE II, information may be sent as a daily download. EOB Information to Include: Date of Transaction (ACH Date) Date of Service Group Policy Number Provider/Payee Name Provider/Payee Tax ID EOB (Claim) Number Insured Name

Insured's Certificate Number Patient Name Patient Social Security (if available) Billed Charges Amount Appropriate Discounts Exclusions: COB, etc. Insurance Pay Portion Patient Pay Portion Non Covered Charges STEP 5c INSURANCE PAYMENT ALTERNATIVE: DIRECT PAYMENT TO PROVIDER BY INS/TPA/SF PROCESSING OF PATIENT PAY BY JUSTCARE BANK JustCare will provide an option whereby an INS/TPA/SF may request to use the JustCare Card for the patient pay portions, but elects to send INS/TPA/SF portion directly to the Provider. If this were to occur, the standard JustCare procedures would be utilized, except that the INS/TPA/SF would forward only patient pay portion notification to JCB. NOTE: Patient Pay Portions are subject to the same Administrative Fee charges identified in the Appendix. Insurance Pay Portions would be subject to an access fee calculated and paid by INS/TPA/SF directly to JC. [TO BE DETERMINED] * * * * * After receipt of and adjudication of claims, INS/TPA/SF processes the Insurance Pay Portion manually through their own internal accounting and check writing processes. The Patient Pay Portion Only is forwarded to JCB for processing as follows: MSF #25 INS/TPA/SF Notifies JCB of Patient Pay Portion INS/TPA/SF .fwdarw. JCB INS/TPA/SF transmits to JCB the "Post Adjudication Claim Payment Data INS/TPA/SF .fwdarw. JC (PHASE II-Download) (Charges)", which includes Patient Pay Information as following: E Record Type Numeric (2) INS/TPA/SF ID* Alpha (10) Group Policy Number Alpha (10) EOB/Claim Number Alpha (15) Insured's Social Security Numeric (9) Insured's Cert/Subscriber No. Alpha (10) Insured's Name Alpha (25) Insurance Pay Amount Numeric (S9,2) (Insur Pay Amount will always be \$0.00 when INS/TPA/SF processes Insurance Payments manually) Patient Pay Amount Numeric (S9,2) Patient Name Alpha (25) Patient Social Security Numeric (9) Patient Cert/Subscriber No. Alpha (10) Date of Service Numeric (6) Physician (Supplier Name Alpha (36) Provider/Payee I.D. (EIN or S.S.) Alpha (9) * For JC purposes. Number to be assigned by JC to INS/TPA/SF. May consist of JC in-house Member Number. NOTE: JCB validates the Patient Pay Portion against the Insured's bank credit limit. If the patient pay transaction is within the credit limits allowed by JCB, and if the patient has maintained a "Yes Credit" rating from the point of service, JCB proceeds with the transaction. If the patient pay portion exceeds the credit limits allowed by JCB or if patient has "lost credit", then JCB follows the procedure described in STEP 5d. MSF #26 Patient Pay Amount Advanced from JCB Bank Account: EFT to Provider/Payee Bank JCB .fwdarw. PRO Having received the funding for the INS Pay Portion from INS/TPA/SF and E having approved the "Insured's credit" at the transactional level, JCB transmits to Provider/Payee Bank Account the Patient Pay Portion Dollar Amount. JCB collects from one day's activity all transactions to be transferred to each Provider/Payee into one sum total. JCB faxes Notice of Transfer to Provider/Payee the day of the funding. Provider/Payee typically would receive funds the next day. Notice of Transfer to include the following items: Provider/Payee Name Total Amount of Transfer Bank Account where funds deposited JCB mails Enhanced Funds Transfer Notification to Provider/Payee for each day's transactions, to include: Header Information: Provider/Payee Name Provider/Payee Address Provider/Payee Tax ID Bank Account Number where funds deposited Line Item Information: Date of Transaction Date of Service Provider Name Patient Social Security Number Insureds Name Policyholder Group Number Insureds Certificate/Subscriber Number Payor of Insurance Pay Portion (INS/TPA/SF) EOB Claim Number Physician/Supplier Name

Detailed Description Paragraph Table (8):

Gross Amount of Each Transaction Amount of JustCare Discount Amount of Insurance Pay Portion Amount of Patient Pay Portion Disbursed to Provider through JC Cardholder Account Amount of Provider Discount Net Payment Amount PHASE II: With electronic capability at the Provider (Payee's location, JCB may convert the Notice by Mail to a electronic download process. The following information is captured by date for download to JC: Date of Transaction Date of Service Provider/Payee JCA ID Insureds JCA ID Policyholder Group Number EOB/Claim Number Insured's Name Insured's Certificate/Subscriber Number Patient Name Patient Social Security (if available) Provider/Payee Name Provider/Payee Tax ID Physician/Supplier Name Gross Amount of Each Transaction Amount of JustCare Discount Amount of Insurance Pay Portion Amount of Patient Pay Portion Disbursed to Provider through JC Cardholder Account Amount of Provider Discount Net Payment Amount [TO BE DETERMINED] Amount Denied Credit Referred back to Provider for Collection MSF #48 JCB Bills Patient for Patient Pay Portion JCB .fwdarw. Insured JCB sends a monthly statement to Insured, showing claim activity. P Information to include: JCB/Insured Account (Card) Number Insured's (CardHolder) Name Insured's (CardHolder) Address, Zip Date of Transaction Date of Service Line Item Description, to include: EOB/Claim Number Patient First Name Physician/Supplier Name (as much as will fit) Patient Pay Dollar Amount Payment since Last Statement Minimum Payment Terms of Payment Balance Due Payment Due Date Concurrently: MSF #21 Insurance Company Produces EOB and Distributes to Provider & Patient INS/TPA/SF .fwdarw. PRO/PATIENT INS/TPA/SF prepares EOB (Explanation of Benefits) and sends copies to P Provider/Payee and Patient. MSF #31 INS Forwards EOB Data to JC INS/TPA/SF .fwdarw.

JC/JCA INS/TPA/SF is responsible for sending EOB data regarding transaction to JC. INS/TPA/SF .fwdarw. JC (PHASE II-Download) EOB data may be sent at time of processing EOB as an additional copy to JC. P In PHASE II, information may be sent as a daily download. EOB Information to Include: Date of Transaction (ACH Date) Date of Service Group Policy Number Provider/Payee Name Provider/Payee Tax ID Insured Name Insured's Certificate Number Patient Name Patient Social Security (if available) EOB/Claim Number Billed Charges Amount Appropriate Discounts Exclusions: COB, etc. Insurance Pay Portion Patient Pay Portion Non Covered Charges

STEP 5d

VALIDATION OF PATIENT CREDIT LIMIT AND CREDIT RATING BY JCB; SUBSEQUENT PAYMENT PROCESSING Upon receipt of claim adjudication and reimbursement detail from INS/TPA/SF (MSF #25 for both Yes Credit and No Credit), JCB conducts an internal review and validation of Patient Pay Portion prior to the advancement of funds to Provider/Payee. JCB's review process validates Patient's Account based on two criteria: 1) Has the Patient exceeded the Credit Limit imposed by JCB; and 2) Has the Patient lapsed into a "No Credit" rating. If both tests are negative, JCB proceeds with the next step described in MSF #26, STEPS 5, 5b and 5c. If either of these tests are affirmative, JCB will post the Patient Pay portion onto a JCB Credit Exception List. JCB has the option to evaluate any Patient appearing on the Credit Exception List and to extend credit to them in the normal fashion. (See Continuation after MSF #26, STEPS 5, 5b and 5c). JCB may also elect to report "no credit" and "credit exceptions" to JustCare, rather than to extend credit to a patient where their credit limits have been exceeded or where the patient has become delinquent since the original authorization was given. MSF #53 JCB Forwards "No Credit" Patient Data to JC JCB .fwdarw. JC JCB verifies credit status on all Insureds prior to making daily funds transfer P/E (MSF #26). JC is notified of any patient pay transaction that cannot be transferred because of "no credit" on the day following identification. JCB faxes to JC information from the Post Adjudication Claim Record, to include: JCA ID Insured's Name Insured's Cert/Subscriber Number Patient's Name Patient Social Security Date of Service Physician/Supplier Name Provider/Payee Name, Provider/Payee I.D. EOB/Claim Number Patient Pay Amount PHASE II NOTE: When JCB is capable of downloading "No Credit" Patient information, it is recommended that JCB download the entire "Post Adjudication Claim" Record. In Phase I JustCare will receive faxed information and notifies Provider/Payee for Balance Billing to Insured. After a single billing, the Provider/Payee has option to assign collection duties to JC. If authorization to collect patient pay amounts has been given to JC by Provider and, if circumstances warrant, JC combines the above listed information with the Insured's Data File and submits to the JC Collection Agency for collection proceedings. JC Collection Agency proceeds with precollect and collection efforts. If and when collected, JC Collection Agency notifies JC and deposits funds into JC Account. During Phase I period, JC will transfer monies collected by JC Collection Agency to Provider/Payee by Check. * * * * * NOTE: JCB TO DETERMINE THE FEASIBILITY OF THE FOLLOWING TWO MSF INTERACES, #54 AND 55, AT A LATER TIME: 6) Date and Amount of Debit to JC Reserve Account with detail to include Insured's Name and Provider/Payee Name and Amount. C. JC receives JCB data regarding Bad Debt accounts and enters into JC Reserve Accounting System. 1) JC prepares and forwards Notice to Provider/Payees with Demand Statement for bad debts incurred by Insureds reported by JCB and judged by JC as "having the ability to pay" and those categorized as "disputed claims." Notice includes offer to Provider/Payee to assign Bad Debt back to JC for legal collection. 2) JC creates a follow-up method for return of funds and Assignment Statement from Provider/Payee. (a) JC Posts funds received from Provider/Payee to JC Reserve (b) JC forwards Bad Debt Assignments to JC Collection Agency (1) Funds collected by JC Collection Agency are reported to JC and deposited with JC. (2) JustCare sends check for funds collected to JCB to replenish JC Reserve. 3) JC identifies "can't pay" Bad Debt Accounts and analyzes for proper action, to include: (a) Write off by JC Board of Directors (b) Collection efforts by JC Collection Agency (i) Amounts collected by JC Collection Agency are reported to and Deposited with JC (ii) Deposited amounts transferred by JC to JC Reserve (iii) Payment arrangements or judgement activity (liens, garnishments, etc) arranged by JC Collection Agency are maintained by JC Collection Agency and payments forwarded to JC as they become available. MONTHLY (OR AS DETERMINED) REPORTING ACTIVITY BY JCB FOR STEPS 5, 5b AND 5c: JCB is responsible to provide summary information on all insurance funding requests and the detail of all provider fund transfers to JC on a periodic basis. These steps are in a state of revision and only outline information is available. MSF #28 I. Provider/Payee Account Activity Statement JCB .fwdarw. PRO (PHASE I-Hardcopy) JCB .fwdarw. PRO (PHASE II-May be downloaded to some Providers) P Account Activity Statement has been replaced by the Enhanced Funds Transfer Notification (See MSF #26 and 27) to the Provider. MSF #29 II. Insurance Company Account Activity Statement JCB .fwdarw. INS/TPA/SF (PHASE I-Hard Copy)

Detailed Description Paragraph Table (9):

JCB .fwdarw. INS/TPA/SF (PHASE II-Download) P MSF #29 is in the process of being eliminated and replaced by a Confirmation for INS funding request by facsimile (fax) followed by a mailed notification of the same or enhanced information. Details are not presently available. (12/1/94) MSF #30 III. JCB Claims Summary Account Statement with JC Reserve Breakout JCB .fwdarw. JC (PHASE I) JCB .fwdarw. JC (PHASE II-Download) PART A JCB is responsible to provide periodic downloads to JustCare of all information captured at the time of provider funds transfer. See MSF #26 and 27. Data elements to be included are: Date of Transaction Date of Service Provider/Payee JCA ID Insureds JCA ID Policyholder Group Number EOB/Claim Number Insured's Name Insured's Certificate/Subscriber Number Patient Name Patient Social Security (if available) Provider/Payee Name Provider/Payee Tax ID Physician/Supplier Name Gross Amount of Each Transaction Amount of JustCare Discount Amount of Insurance Pay Portion Amount of Patient Pay Portion Disbursed to Provider through JC Cardholder Account Amount of Provider Discount Net Payment Amount [TO BE DETERMINED] Amount Denied Credit - Referred back to Provider for Collection JC is responsible for internal analysis reporting and disbursement of any INS/TPA/SF specific or global reporting to INS/TPA/SF. PART B JCB is Responsible to provide to JC a Statement of JC Reserve General Ledger Account activity. The form of this report has not been fully determined. NOTE: NOT INCLUDED IN THE PROVIDER ACTIVITY REPORTS IS THE INCLUSION OF THE PROVIDER DISCOUNT SUBTRACTED FROM THE PATIENT PAY PORTION. INCLUSION OF THE PROVIDER DISCOUNTS IN MONTHLY REPORTING WILL BE DETERMINED AT A LATER TIME. MONTHLY (OR BY ARRANGEMENT) REPORTING ACTIVITY BY INS/TPA/SF (for STEPS 5, 5b and 5c): INS/TPA/SF is responsible to provide reports of claim activity to JC, including Summary EOB Data and adjudication of Dollar Amounts. Reports are identified I.-III. below. (MSF #31, 32 and 33) MSF #31 I. Combined EOB and Electronic Paid Claims Report INS/TPA/SF .fwdarw. JCA/JC INS/TPA/SF sends combined EOB and/or Paid Claims Report to JC/JCA. INS/TPA/SF .fwdarw. JC (PHASE II) Report to contain: P/E* Date of Transaction (ACH Date) Date of Service Group Policy Number Provider/Payee Name Provider/Payee Tax ID Insured Name Insured's Certificate Number Patient Name Patient Social Security (if available) EOB/Claim Number Billed Charges Amount Appropriate Discounts Exclusions: COB, etc. Insurance Pay Portion Patient Pay Portion Non Covered Charges MSF #32 II. Non-Participating Claims Data and Combined EOB Report INS .fwdarw. JC/JCA INS sends Combined EOB and/or Paid Claims Report for Non-Participating INS/TPA/SF .fwdarw. JC (PHASE II) Services to JC/JCA. Report to Contain: P/E* Date of Transaction (ACH Date) Date of Service Group Policy Number Provider/Payee Name Provider/Payee Tax ID Insured Name Insured's Certificate Number Patient Name Patient Social Security (if available) EOB/Claim Number Billed Charges Amount Appropriate Discounts Exclusions: COB, etc. Insurance Pay Portion Patient Pay Portion Non Covered Charges MSF #33 II. EOB Report of Patient Direct Paid Claims INS/TPA/SF .fwdarw. JCA INS/TPA/SF sends Combined EOB and/or Paid Claims Report for Patient INS/TPA/SF .fwdarw. JC (PHASE II) Direct Paid Claims. Report to include: P/E* Date of Transaction (ACH Date) Date of Service Group Policy Number Provider/Payee Name Provider/Payee Tax ID Insured Name Insured's Certificate Number Patient Name Patient Social Security (if available) EOB/Claim Number Billed Charges Amount Appropriate Discounts Exclusions: COB, etc. Insurance Pay Portion Patient Pay Portion Non Covered Charges PERIODIC REPORTING ACTIVITY BY JCA: (PHASE I) JCA is responsible to provide a utilization reporting process to JC and to PRO organizations (IPAs, PHOs, Hospitals, etc.) These reports will detail all claim activity and will include: Provider Organization Designation Provider/Payee Name/ID Code Physician/Supplier Name Provider Type Code JustCare Authorization Number Insured's Name Insured's Certificate/Subscriber Number Patient Name Patient Social Security Number (if Available) INS/TPA/SF Name Group Policy Number Date of Birth Sex of Employee Date of Service Location (Hospital, office, ER, ambulatory surgical center, etc.) Procedure Codes, Drug Codes, etc. with Description Diagnosis Code (to include a maximum of 3 ICD-9-CM codes if available from claim submission) and Description Billed Charges Repriced Charges STEP 6 ON-GOING MAINTENANCE: ENROLLMENT ADDITIONS, CHANGES AND DELETIONS MSF #34 Additions, Changes, and Deletions for Purchasers, Insureds and Dependents Purchaser .fwdarw. INS/TPA/SF Purchaser may incur corporate changes that need to be forwarded to P INS/TPA/SF. Purchaser would report: Group Name (need in all circumstances for identification) Group Number (need in all circumstances for identification) and provide the following types of changes: Purchaser Address changes Purchaser Phone Number changes Change of Bank information As enrollment additions, changes and deletions occur, PUR forwards* to INS/TPA/SF appropriate change information to reflect: Enrollment Data and Effective Dates of New Employees Name and Effective Date of Terminated Employees Name Changes Address Changes Dependent Additions or Deletions Tier Rating Changes Employment Status Changes - rehire, reinstate, on leave, etc. COBRA Changes * PUR may report changes to INS/TPA/SF by letter, through forms designed and made available by INS/TPA/SF, or uses an electronic download method. MSF #35 Additions, Changes, and Deletions for Purchasers, Insureds and Dependents INS/TPA/SF .fwdarw. JCB E or P PURCHASER CHANGES: Purchaser Changes that affect the JCB Purchaser Record are reported to INS/TPA/SF will

be downloaded to JCB by INS/TPA/SF, to include: Purchaser Address Purchaser Phone Number Purchaser Changes that affect a Change of Bank Account Authorization information will require hard copy documentation and data entry by JCB. As enrollment additions, changes and terminations are received by INS/TPA/SF, INS/TPA/SF processes enrollment changes and downloads to JCB a new insured's Record for each affected employee reflecting the addition, change or deletion. NEW EMPLOYEES AND LATE ENROLLEES, TO INCLUDE: Record Type Numeric (2) JCA ID Alpha (8) INS/TPA/SF ID Alpha (10) Insured's Name (Primary Name) Alpha (25) Primary BirthDate (MMDDYY) Numeric (6) Dependents Numeric (2) * Insured's First Line Address Alpha (30) * Insured's Second Line Address Alpha (20) * Insured's City, State ID Alpha (22) * Insured's Zip Numeric (5) * Insured's Zip Suffix Numeric (4) * Insured's Home Phone Number Numeric (10) * INS/TPA/SF to obtain and transfer to JCB. In the event INS/TPA/SF is incapable of providing data elements (*'d) to JCB, JCB

Detailed Description Paragraph Table (10):

will obtain from Cardholder Agreement and enter into their system. Insured's Social Security Number Numeric (9) Insured's Cert/Subscriber Number Alpha (10) Group Policy Number Alpha (10) Additional Reference Alpha (40) (i.e. subsidiary of purchaser, etc.) Cobra Reference (Alpha) (1) Primary Care Provider ID (Alpha) (10) CoApp (Spouse) Name Alpha (25) CoApp (Spouse) SSN Numeric (9) A/C A = Add = Issue Card Alpha (1) Maximum Out of Pocket Numeric (S9,2) Tier Rating Numeric (1) 1 = Employee Only 2 = Employee & Spouse 3 = Employee & Dependent(s) 4 = Full Family Effective Date of Coverage Numeric Julian Date Credit (Y/N) Alpha (1) Eligible (Y/N) Alpha (1) INS/TPA/SF responsible for the completion and delivery of the following form to JC: JustCare Individual Consumer Member Application and Agreement INS/TPA/SF delivers to JustCare the JustCare Individual Consumer Member Application and Agreement. If necessary, INS Member approves or rejects insurance application. Individual Consumer Retains the second copy (pink). JC receives from INS/TPA/SF the JustCare Individual Consumer Member Application and Agreement; JC separates the original (white) from the copy (yellow); batches and logs the originals (white) and retains the copy (yellow) for JustCare's records. JCB receives original JustCare Individual Consumer Member Application and Agreement from JC and receives download of insured's data from INS/TPA/SF. JCB enters Insured/Individual Consumer Member into into JCB data base and assigns: JCB/Insured Account (Card) Number. * * * * * FOR TERMINATED EMPLOYEES: INS/TPA/SF transmits Insured's Record noting an Eligible = N on a Change Record. JCB receives above information into data base and overlays Insured's Record with the change. Change Indicated is Eligible = N. The transfer by INS/TPA/SF will be made on the effective date of termination. Once the overlay has been made, the insured is no longer eligible for coverage. Note: COBRA RECIPIENTS WILL BE TREATED AS NEW EMPLOYEE AND WILL RECEIVE NEW JCB/INSURED ACCOUNT CARD AND NUMBER. PURCHASER WILL REPORT EMPLOYEE'S DATE OF TERMINATION AND WILL REPORT SEPARATELY THE COBRA applicant submit the following form: JustCare Individual Consumer Member Application and Agreement * * * * * FOR CHANGES INCURRED BY INSURED converting A/C Record Code Value to "C" = Change. Record remains active with data changes replacing previous data. NOTE: If JCB receives an Insured's Record where the A/C flag = C, changes to the following data elements would prompt JCB to reissue a JC Card (same account, same account number): Insured's Name Group Policy Number Certificate Number Tier Rating JCA Identifier In addition to the above, the following events initiated by INS/TPA/SF would trigger the establishment of a new account, also requiring the issuance of new cards: Election of COBRA by terminated Employees or Dependents of Employee (the Insured) Employment changes by Employee from one JC Payor Member to another JC Payor Member Lost Cards reported to JCB would initiate a manual process by JCB to replace the card and may require that a new account be established. STEP 6b ON GOING MAINTENANCE: PREMIUM UPDATES - PHASE II Prior to funds transfer, INS/TPA sends monthly premium information to PUR, relating current enrollment and premium information. PUR responds to INS/TPA with any changes to enrollment. MSF #36 Premium Updates for Billing Purchaser INS/TPA .fwdarw. JCB INS/TPA receives enrollment updates from PUR and determines increases, E decreases, etc. to overall premium structure. INS/TPA notifies JCB by download process. Information to include: Purchaser (Group) Number Purchaser (Group) Name Updated Monthly Premium for Group STEP 7 AUTOMATED PREMIUM COLLECTION BY JCB NOTE: STEP 7 AND 7b ARE PHASE II OPERATIONS TO BE APPROVED PRIOR TO IMPLEMENTATION A. Monthly Premium Collection Having received the adjusted premium amount (or using the prior month's premium amount if no updates have occurred), INS mails to Purchaser notification of monthly premium. JCB then debits the Purchaser' JCB Account for the designated monthly premium amount. MSF #37 JCB EFT's premium from Purchaser's Bank Account, or Purchaser sends check PUR Bank .fwdarw. JCB to INS for premium. or PUR .fwdarw. JNS E/P Premium billing or Notice of Intent to Transfer Premium Dollar amount sent to Purchaser by INS. On predetermined date JCB EFT's premium amount from Purchaser's bank account to JCB. Sequence of notification and collection activity to be predetermined by INS/TPA/SF and JC B. Collection of Past Due Premiums

and Cancellation of Purchaser for Non-Payment of Premium MSF #38 If Insufficient Funds for Electronic Transfer, JCB Notifies INS JCB .fwdarw. INS Failure to transfer funds from PUR's bank account results in notice of E/P insufficient funds. JCB notifies INS through JCB's most efficient means (i.e. paper, electronic, etc.) (Note: See MSF #47 for more detail on account "Hold" status.) MSF #39 If Insufficient Funds, INS notifies Purchaser that 31 day grace period has INS .fwdarw. PUR commenced. (Grace Period starts from premium due date.) P After receiving notice from JCB that PUR's account produced insufficient funds, INS sends paper document notice to PUR by overnight mail giving notice of insufficient funds and alerting PUR that 31 day grace period has begun. MSF #40 JCB EFT's Premium from JCB Insurance Company Account to INS bank account JCB .fwdarw. INS JCB EFT's premium collected since last transfer (daily) to INS Co. Bank E Account, itemized by Group Number and accompanied by an information transmittal document. MSF #47 INS Notifies JCB to Cancel All JC Cards for Canceled Group INS .fwdarw. JCB If no payment is forthcoming after 31 day Grace Period, INS notifies JCB E to cancel all JustCare Cards for Canceled Group. C. Treatment of Claims during Premium Past Due Collection Period MSF #41 Upon Expiration of 31 Day Grace Period, INS returns Claims Held to PRO INS .fwdarw. PRO Any PRO claims received during the 31 day grace period are held by INS P until determination of premium payment. If no payment received, any claims held will be returned to PRO, marked "No Coverage, No Credit." MSF #41b Upon Expiration of 31 Day Grace Period, INS Forwards Unpaid EOB to Insured INS .fwdarw. JC Any PRO claims received during the 31 day grace period are held by INS P until determination of premium payment. If no payment received, INS forwards copy of Unpaid EOB to Insured. MSF #41c Upon Expiration of 31 Day Grace Period, INS Notifies JC of Claims Returned INS .fwdarw. JC Any PRO claims received during the 31 day grace period are held by INS P until determination of premium payment. If no payment received, INS forwards copy of Unpaid EOB to JC. D. Monthly Premium Reporting Activity by JCB MSF #42 Premium Account Activity Statement to INS JCB .fwdarw. INS JCB provides monthly statement showing account activity of all premium P notices from INS and all Premium transfers made. Statement to include: Statement Date By group, the following premium information: Beginning Balance (Premium Paid since last Statement) Total Premium Notices received from INS during month Total Premium Transfers made from PUR to JCB Total Premium Transfers made from JCB to INS Ending Balance (Showing Premium Paid to Date at End of Month MSF #43 Premium Account Activity Statement to JC

Detailed Description Paragraph Table (11):

JCB .fwdarw. JC JCB provides monthly statement showing account activity of all premium P notices collected from all INS and all Premium transfers made. Statement to include: Statement Date INS Name Group Name Group Policy Number Beginning Balance by Group Name and Number (Premium Paid since last Statement) Total Premium Notices received from INS during month Total Premium Transfers made from PUR to JCB Total Premium Transfers made from JCB to INS Ending Balance for each Group (Premium Paid to Date at End of Month) Total Premiums Collected at End of Month for each INS STEP 7b PREMIUM COLLECTION FOR DIRECT PAYMENT TO INS A. Monthly Premium Collection by INS Where INS chooses or is incapable of receiving automatic premium collection or where PUR elects not to authorize automatic premium payments, the notification of monthly premium will be considered an invoice, payable in 30 days, and PUR will pay invoice manually by check or money order. B. Collection of Past Due Premiums to INS and Cancellation of Purchaser for Nonpayment of Premium If PUR fails to make payment of monthly premium to INS on a timely basis, INS will notify Purchaser that a 31-day grace period has commenced. Patient then has an additional 31 days to make payment of premium. If payment is not received during the 31-day grace period, INS notifies JCB that all JC cards are canceled for the group. MSF #47 INS Notifies JCB to Cancel All JC Cards for Canceled Group INS .fwdarw. JCB If no payment is forthcoming after 31 day Grace Period, INS notifies JCB E to cancel all JustCare Cards for Canceled Group. Note: If JCB agrees, JCB can put entire account on hold status for 30 days for possible reinstatement. JC/Insured Account Cards would also be placed on a "Hold" status. Use of the card would then generate a "no coverage, no credit" response when used by a Provider to verify eligibility. When the JustCare Cards are canceled, INS must notify the Purchaser that all coverage has been canceled. Purchaser must then notify Insured that coverage has ceased and that JustCare cards are no longer activated. INS must also notify JC of Notice of Cancellation. If Purchaser remits monthly premium past the 31-day grace period, the Group Policy may be reinstated by INS, in which case this information also would be provided to JC. C. Treatment of Claims during Premium Past Due Collection Period MSF #41 Upon Expiration of 31 Day Grace Period, INS returns Claims Held to PRO INS .fwdarw. PRO Any PRO claims received during the 31 day grace period are held by INS P until determination of premium payment. If no payment received, any claims held will be returned to PRO, marked "No Coverage, No Credit." MSF #41b Upon Expiration of 31 Day Grace Period, INS Forwards Unpaid EOB to Insured INS .fwdarw. JC Any PRO claims received during the 31 day grace period are held by INS P until determination of

premium payment. If no payment received, INS forwards copy of Unpaid EOB to insured. MSF #41c Upon Expiration of 31 Day Grace Period, INS Notifies JC of Claims Returned INS .fwdarw. JC Any PRO claims received during the 31 day grace period are held by INS P until determination of premium payment. If no payment received, INS forwards copy of Unpaid EOB to JC. D. Monthly Premium Reporting Activity by INS MSF #46 Premium Collected Report INS .fwdarw. JC INS provides to JC a monthly report of Total Premiums Collected directly P from Purchaser (checks or money orders). Report to include: Statement Date Date of Receipt of Payments Amount Received by Group Number Number of Employees APPENDIX SEQUENCE OF ACTIVITY REGARDING JUSTCARE TRANSACTIONAL FEES The sequence of activity regarding the JustCare transactional Administrative Fee and the Provider Discount is as follows: MSF #23 JCA adds transactional administrative fee to priced claim. Transactional Administrative Fee is added to and becomes a part of the priced claim by JCA. INS/TPA/SF receives and adjudicates claim, inclusive of any transactional administrative fee. MSF #24 & 25 INS/TPA/SF transmits Post Adjudication claim data, broken out into INS/TPA/SF Pay Portion and Patient Pay Portion, to the JCB. MSF #26 (Patient Pay Portion) JCB debits the credit card account JCB credits Internal JCB/Credit Card Account JCB debits the Internal JCB/Credit Card Account JCB credits the JC Account the transactional administrative fee JCB credits balance to the Provider Account, less Provider Discount (Merchant Fee) JCB transfers balance by electronic deposit to Provider Bank Account MSF #27 (Insurance Pay Portion) JCB debits the Payor Account *INS/TPA/SF by ACH transfer JCB credits an Internal JCB/Payor Account JCB debits the Internal JCB/Payor Account JCB credits the JC Account the transactional administrative fee JCB credits balance to the Provider Account JCB transfers balance by electronic deposit to Provider Bank Account JCB debits the Internal JCB/Payor and Credit Card Account JCB credits 1) the JC Account (administrative Transactional Fee) 2) the JCB Provider Account JCB faxes/mails daily confirmation notice of transactional administrative fee detail with monthly summary reporting.

KEY: JC:

JustCare PRO: Provider/Payee E: Electronic P: Paper JCA: JustCare Administrator JCB:
JustCare Bank PUR: Purchaser C: Card TPA/SF: Third Party Administrator/Self Funded ECP:
Electronic Claims Processor INS: Insurance Co. 800: 800 Phone No. T: Telephone